Economists call for urban jobs scheme

Social activists urge Centre to expand MGNREGA funding, work limits to mitigate fallout of COVID-19

- A new Urban Employment Guarantee Act is needed to complement the existing rural jobs scheme during the ongoing COVID-19 crisis, said a group of development activists and economists.

- In a letter sent to Rural Development Minister Narendra Singh Tomar, they have asked for MGNREGA funding to be increased to at least Rs. 1 lakh crore for the next three months, noting that the scheme already has the infrastructure in place to respond to the unprecedented unemployment crisis.

- The group has also recommended relaxation of the 100 days of work per household limit, suggesting that all individuals who wish to work under the scheme be given employment for as many days as needed, up to the full year.

- Given that a large number of migrants returning from cities to villages as a result of the lockdown would desperately need work but may not have MGNREGA job cards, the group suggested that anyone wanting work should be given a job, with card registration made available on site.

- Signatories to the letter include economists Jean Dreze, Jayati Ghosh and Reetika Khera, activists Aruna Roy and Nikhil Dey of the Mazdoor Kisan Shakti Sangathan and Annie Raja of the National Federation of Indian Women, as well as Swaraj Party president Yogendra Yadav.
•The economists also asked for full minimum wages in cash, as well as dry rations, to be paid to workers within seven days rather than the current 15-day limit, so that the scheme can meet the needs of people. Biometric based payment systems should be avoided for now, they said, noting that bank account payments would only cause overcrowding in rural banks.

•People prevented from working during the pandemic due to medical advisories including those aged over 50, disabled and sick, and pregnant women, should be paid full wages for the duration of the restrictions, the group recommended. The signatories also urged that rather than stopping MGNREGA work throughout districts declared to be in the red zone, decisions should instead be taken block-wise.

•With regard to an urban jobs programme, the letter’s signatories noted that a significant number of migrants were returning to small towns and had lost their livelihoods.

U.P., Bihar migrants can get rations in other States too

The two have joined One Nation One Ration Card scheme, which integrates a total of 17 States & U.T.s

•Uttar Pradesh and Bihar joined the Centre’s ration card portability scheme on International Labour Day, offering some hope that their huge migrant worker populations can start accessing subsidised and free foodgrains in many of the States where they have been left stranded by the COVID-19 lockdown.

•Punjab, Himachal Pradesh, Dadra and Nagar Haveli and Daman and Diu also joined the national cluster under the Food Ministry’s One Nation One Ration Card scheme on Thursday, taking the total number of integrated States and Union Territories to 17, according to a Food Ministry statement.

•The other States which are already part of the national cluster are Andhra Pradesh, Goa, Gujarat, Haryana, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Telangana and Tripura.

June 1 deadline

•All remaining States and Union Territories are supposed to come on board by June 1. However, the integration of States is running behind schedule, with a number of remaining States yet to complete installation of electronic point of sale machines at all ration shops and seeding of Aadhaar data into their NFSA databases.

•In a mid-April interview, Food Minister Ram Vilas Paswan told The Hindu that “the project has been halted now because of the pandemic”. However, on April 28, the Supreme Court directed the Centre
to consider whether it was possible to implement the scheme, keeping in mind the plight of migrants left stranded by the pandemic.

• The addition of five new States potentially means nearly 60 crore beneficiaries of the National Food Security Act (NFSA) can now use their ration cards, issued in their home States, to pick up their entitled quota of foodgrains from any ration shop of their choice in these 17 States and Union Territories.

• However, the Centre has qualified that actual implementation is still dependent on “onfield readiness”, so it remains to be seen when workers start using the facility. Also, Aadhaar is a precondition for availing this facility as the biometric ID is used to ensure that beneficiaries are not claiming foodgrains in multiple States, above their entitled quota.

• The Food Ministry has earlier clarified that a single family holding one ration card can split the locations from where they pick up their ration. If one migrant worker from the family is in a distant city while the rest of the family remains in their home village, both can avail themselves of a 50% portion of the ration allocation in the two different locations by providing ration card and Aadhaar authentication.

• The Food Ministry has activated the facility for web-services for inter-State transactions and monitoring through central dashboards with immediate effect. All 17 States have been requested to formally start seamless portability operations in a single cluster with effect from May 1, “or at the earliest, depending on their on-field readiness”, said the statement.

Ominous contraction

Steepest fall in core sector output in at least 8 years portends protracted economic pain

• The latest data on core sector output is signalling that considerable economic pain lies ahead in the wake of the COVID-19 pandemic and the nationwide lockdown that commenced on March 25. The provisional figures released by the Commerce Ministry show that production at all but one of the eight industries comprising the core sector shrank in March from a year earlier, resulting in the sharpest contraction in the index since the new series began in April 2012. That output contracted by as much as 6.5% in a month when most economic activities ground to a halt only in the last seven days, is a worrying augury. While output at petroleum refineries slid only by a marginal 0.5% as a bulk of the transportation sector was idled only in the last week of March, the 7.2% and 13% contractions in electricity and steel production, respectively, reflect the underlying stress in the economy, most crucially on the demand side. With all non-essential industries and commercial establishments ordered shut as part of the lockdown, demand for electricity declined by more than 9% in March, according to data from the National Load Despatch Centre. While the power sector has been exempt from the lockdown because of its essential nature, the slump in demand from commercial customers is bound to have a significant sector-wide cascading impact as a result of heightened cash flow problems at the already stressed distribution companies that deliver electricity over the last mile to consumers.
Coal, the only sector to post a positive figure in March as output expanded 4%, also presents a far from reassuring picture as growth slowed sharply from February’s 11.2% and was less than half the 9.1% pace seen in March 2019. And with demand for coal from user sectors spanning thermal generators and the key process industries of steel and cement unlikely to revive any time soon, production of the crucial commodity is very likely to shrink in April. With the construction sector hit hard by the lockdown and likely to face serious labour supply issues even after the economy gradually reopens, cement may see production shrink in the first month of the new fiscal year by an even greater extent than the 25% drop seen in March. The mayhem in the oil market with global crude prices tumbling is also certain to undermine the industries in the energy sector. Undoubtedly, April’s overall core output appears headed for an even sharper contraction. And with the eight major industries having a weight of 40.3% in the broader Index of Industrial Production, it is certain to drag industrial output as a whole into negative territory. The Centre may be left with little option but to massively lift public spending on infrastructure once the lockdown eases in order to revive the reeling economy.

It’s about food, nutrition and livelihood security

Farmers’ cooperation, technological upgrading and favourable public policies can help India deal with the pandemic

The current national lockdown to tackle the COVID-19 pandemic has highlighted the problems of food, nutrition and livelihood security confronting a large number of rural people, in particular, migrants to cities. While some measures have been announced, such as provision of additional rice or wheat, some pulses and oil free of cost, as well as Rs. 1,000 cash for the purchase of other essential commodities through the Public Distribution System (PDS), we need to understand the different dimensions of food security in a holistic manner in order to address this problem in its totality.

The first is the availability of food in the market, and this is seen as a function of production. Fortunately, thanks to the Green Revolution, today we have enough food in the market and in government godowns. This is a great accomplishment by Indian farmers who converted a “ship to mouth” situation to a “right to food” commitment. Yet we cannot take farmers’ contributions in terms of sustaining production for granted. While some special exemptions have been given to the agricultural sector, farmers are confronted at the moment with labour shortages, many of the inputs, including seeds, are expensive or unavailable, marketing arrangements including supply chains are not fully functional, pricing is not remunerative, and public procurement is also not adequate. There is no room for complacency, as in the absence of demand, the lack of storage or value addition facilities, especially for perishable commodities, we do not yet know exactly what the impact of the current pandemic will be on the kharif sowing and food availability in the future.

Widen the food basket
The second dimension is the access to food, which is a function of purchasing power, as unless you are a farmer and grow your own food, others have to buy it. Fortunately, the government, through the National Food Security Act (NFSA) and the PDS, has assured some additional food to every individual during this crisis. This should be further strengthened and the food basket widened by including millets, pulses and oil. Steps should also be taken to avoid hidden hunger caused by the deficiency of micronutrients in the diet. In light of the closure of schools and anganwadi centres, and the consequent disruptions in the provision of midday meals or other nutritional inputs, it is important to pay attention to the life cycle approach advocated in the NFSA, particularly the first thousand days in a child’s life, when the cognitive abilities of the child are shaped. We may otherwise see negative effects on nutritional security in the medium to longer term.

Food security and access to nutritious, good quality food is also contingent on job security. Today, a lot of people employed both on farms and in the non-farm sector are without jobs. If job security is threatened, then so is food and nutrition security. We have to ensure people do not lose their jobs, and one way of doing this will be to ensure value addition to primary products. One example of such value addition is the Rice Biopark in Myanmar, wherein the straw, bran, and the entire biomass are utilised. This would of course mean some attention to and investment in new technologies that can contribute to biomass utilisation. The Amul model provides a good example from the dairy sector of improved incomes to milk producers through value addition. Similar attention needs to be given to the horticulture sector on a priority basis. Women farmers are at the forefront of horticulture and special attention needs to be given to both their technological and economic empowerment during this crisis.

Work under MGNREGA

A second pathway to livelihood security for small and marginal farmers and landless households, and women within them, is strengthening the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The definition of a worker in MGNREGA has so far been applied only to unskilled, manual work, and not to skilled jobs in agriculture and allied activities. Given the lack of jobs and incomes during the COVID-19 crisis, it is imperative to expand the definition of work in MGNREGA to cover skilled work related to farmers and their farming activities. This is particularly important for women farmers and workers, who should not just be given tasks of carrying stones or digging mud. Apart from farming, they engage in a range of essential care tasks, including caring for children, the elderly and sick people. These tasks, often invisible, need to be recognised as work and supported with appropriate education, including on nutrition.

Focus on non-food factors

The third dimension of food security is absorption of food in the body or its utilisation, which is dependent importantly on sanitation, drinking water and other non-food factors, including public health services. Ensuring that these services are functional depends on the capacities of the local panchayats and their coordination with other local bodies. The lack of adequate clean water in particular has come to the fore in both rural areas and urban slums in the context of COVID-19, where one of the key measures for stopping transmission relates to frequent hand-washing.
• If we can ensure food availability, food access and food absorption, then we have a fairly robust system of food and nutrition security. All the above dimensions are, however, now threatened by the novel coronavirus, as discussed earlier. It is very critical to highlight the linkages between agriculture, nutrition and health. While the PDS may be able to meet calorie needs, the inability to harvest, transport and market perishable fruits and vegetables at remunerative prices during the current crisis, has not just deprived farmers of incomes and livelihoods, but consumers too are deprived of micronutrients in their diets. Farmers making losses, and agriculture moving from being job-led to jobless, raise questions about the sustainability of the production cycle. At the same time, this can have long-term consequences on nutrition and health security.

• India avoided what could have been a big famine in the 1960s through the help of technology and public policy, which actively worked with and supported farmers to achieve significant increases in yield. Today’s problems are not as daunting. Through a combination of farmers’ cooperation, technological upgrading and favourable public policies in procurement, pricing and distribution, we can deal with the fallouts of the pandemic. We hope that this pandemic will help recognise the contribution of our farmers.